

DEPARTMENT OF JUSTICE

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KATHLEEN JENNINGS ATTORNEY GENERAL

March 8, 2022

Chief Magistrate Alan Davis Justice of the Peace Court 5 East Pine St. Georgetown, DE 19947

Via hand delivery with courtesy copy via e-mail (Alan.Davis@delaware.gov)

Re: Rule 57 Representation of Joshua Jordan o/b/o Prehired Recruiting, LLC

Dear Chief Magistrate Davis:

The Delaware Department of Justice Consumer Protection Unit ("CPU") has become aware of nearly 300 lawsuits recently filed by a newly-formed Delaware limited liability company called Prehired Recruiting, LLC through its Form 50 Agent Joshua Jordan. All but two of these lawsuits were filed against individuals who do not reside in Delaware and, upon information and belief, have no connection to this State. Similarly, the CPU does not believe that Prehired had any ties with Delaware until the formation of Prehired Recruiting, LLC in December 2021 for the purpose of filing these lawsuits—most, if not all of which, seek \$25,000 in alleged damages. The purpose of this letter is to convey the CPU's concerns with Mr. Jordan's ongoing Rule 57 representation of Prehired Recruiting, LLC.

Prehired describes itself as a "membership association" that provides "training, mentoring and networking to help you land a full-time sales job in a business-to-business (B2B) software company within about 12 weeks—even with no previous sales or tech experience." Prehired claims that it only admits less than 5% applicants, and that its program "typically takes about 60-120 hours over 6-12 weeks (about 10 hours per week), though the program is video-based and self-paced. However, the CPU has spoken with one student that was able to complete the program in less than one week. While the CPU has opened an investigation into Prehired's claims and representations made to students and potential students, including those pertaining to the income share agreements giving rise to Prehired's lawsuits, its most immediate goal is preventing imminent harm to the hundreds of consumers who have already been sued.

¹ Prehired FAO, "What is Prehired?" available at https://www.prehired.io/faq.

² Prehired FAQ, "Since you admit less than 5% of applicants, what are you looking for?" and "Isn't your 'Six-Figure Sales Career Session" a sales pitch in disguise?" *available at* https://www.prehired.io/faq

³ Prehired FAQ, "How long does it take to complete the first course?" available at https://www.prehired.io/faq.

⁴ Prehired FAQ, "How can I finish my coursework faster than 12 weeks?" and "When's the next starting date for your program?" *available at* https://www.prehired.io/faq.

<u>Form 50 agent representation is a privilege that may be revoked in the sole discretion of the Chief Magistrate.</u>

Mr. Jordan is prosecuting these cases on behalf of Prehired Recruiting, LLC as a non-lawyer agent pursuant to Delaware Supreme Court Rule 57 and Justice of the Peace Court Form 50. As this Court explained in *In re Rule 57 Representation of Greentree Village Apartments* (C.A. No. JPCM-11-002, Nov. 28, 2011),⁵ the purposes of Rule 57 are two-fold. First, Rule 57 is "intended to allow artificial entities easier and less costly access to the Court." *Greentree Village Apartments* at p. 2. Second, Rule 57 is designed "to protect the Court from unauthorized or inappropriate representation of artificial entities." *Id.* The Supreme Court could not have been clearer on this point: "*The ability to represent an artificial entity or public body by a non-lawyer is a privilege, not a right, which may be revoked in the sole discretion of the Chief Magistrate.*" Supreme Court Rule 57(a)(9) (emphasis added).

While Rule 57 agents are not held to the full ethical standards of attorneys practicing in this State, "there is a heightened requirement of good faith and fair dealing required of such agents that is inherent in Rule 57 and the process of representation authorized under that Rule is such that agents must act in a manner benefitting the privilege to practice law in this limited capacity." *In re Rule 57 Representation by Lee Herbert* (C.A. No. JPCM-11-001, Aug. 2, 2011) at p.4.⁶ At a minimum, this requires "adherence to general principles of good faith, fair dealing and candor in written and oral communications with other parties to the Court." *Id.* The requirements of Rule 8.4 of the Delaware Lawyer's Rules of Professional Conduct⁷ also apply to Rule 57 agents. *Id.*

The standards for reviewing and sanctioning alleged breaches of behavior expected from a Form 50 agent are analogous to those employed in cases of alleged attorney misconduct. *See Greentree Village Apartments* at p. 3. After receiving a complaint, the Court assesses whether there is a

It is professional misconduct for a lawyer to:

- (a) violate or attempt to violate the Rules of Professional Conduct, knowingly assist or induce another to do so or do so through the acts of another;
- (b) commit a criminal act that reflects adversely on the lawyer's honesty, trustworthiness or fitness as a lawyer in other respects;
- (c) engage in conduct involving dishonesty, fraud, deceit or misrepresentation;
- (d) engage in conduct that is prejudicial to the administration of justice;
- (e) state or imply an ability to influence improperly a government agency or official or to achieve results by means that violate the Rules of Professional Conduct or other law; or
- (f) knowingly assist a judge or judicial officer in conduct that is a violation of applicable rules of judicial conduct or other law.

⁵ Available at https://courts.delaware.gov/Opinions/Download.aspx?id=164240.

⁶ Available at https://courts.delaware.gov/Opinions/Download.aspx?id=162240.

⁷ Rule 8.4. Misconduct.

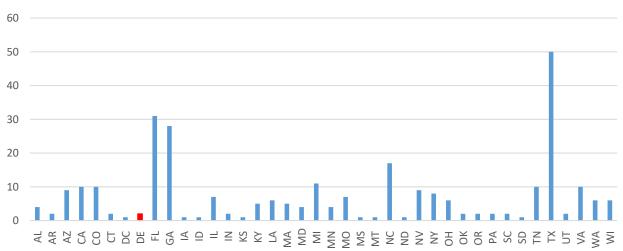
"reasonable inference of misconduct on the part of the Form 50 agent or the entity that they represent." *Id.* Upon such a finding, "the Court will conduct a further examination of the matter, reviewing public source documents and requesting information from interested parties." *Id.* If, after conducting this examination, the Court finds probable cause that misconduct has occurred, it will suspend the privileges of the entity or agent involved and schedule a hearing, at which time the agent or entity will have the opportunity to be heard and "show cause why the privilege of Form 50 representation should not be revoked." *Id.* The Court will ultimately make its determination using the preponderance of the evidence standard, "having to be convinced that, more likely than not, the actions of the entity or agents are a breach of the standards required under Rule 57 and/or [the agent's ethical standards]." *Id.*

There is probable cause that Mr. Jordan and Prehired Recruiting, LLC attempted to manufacture jurisdiction in this Court of over nearly 300 consumer lawsuits—only two of which have any bona fide connection to this State.

There appears to be probable cause that Mr. Jordan has engaged in misconduct in connection with the filing and prosecution of these lawsuits, as well as a likelihood that consumers will be harmed as a result. In the coming days and weeks, the CPU intends to serve Prehired with a subpoena and/or Civil Investigative Demand, but it will take time for the CPU to complete its investigation. In the meantime, some consumers may default or settle their cases, not because they believe they owe Prehired the money, but because the costs of defending these lawsuits—in terms of time, travel, and lawyers' fees—is simply too high. For the reasons set forth below, the CPU respectfully submits that Mr. Jordan's actions leading up to the filing of these cases, along with his post-filing conduct, warrant a review by this Court of whether he should be permitted to continue with his Rule 57 representation.

First, nearly all of these lawsuits were filed against out-of-state *consumers*, not businesses, who face substantial and expensive barriers defending themselves in a court that is hundreds or thousands of miles away from home. As illustrated below, *all but two of the lawsuits are against non-Delaware residents*, with most defendants concentrated in the Southern and Southeastern United States:

Prehired Defendants by State



The Court is likely to lack personal jurisdiction over nearly all of the defendants, many of whom have probably had no contact whatsoever with Delaware and could not have reasonably anticipated being sued here. While full briefing on this issue is not necessary to resolve the question of Mr. Jordan's fitness to proceed as a Form 50 agent, the CPU remains available to the Court to provide amicus briefing or other assistance that may be desired.

The risk of harm to consumers nationwide is simply too great for Mr. Jordan (or any other non-lawyer agent selected by Prehired Recruiting, LLC) to continue these lawsuits without qualified legal counsel. Personal jurisdiction, service, and venue are all issues of Constitutional import. It is fundamentally unfair that nearly 300 individual defendants should each be forced to hire an attorney to raise the same defect in Mr. Jordan's lawsuits because Mr. Jordan, who has a staggering \$7,225,000.00 at stake, hose to proceed without the assistance of counsel. If there is a legal justification for keeping these lawsuits in Delaware, Prehired Recruiting, LLC can present that argument through a Delaware attorney fully bound by the Rules of Professional Conduct.

Second, Prehired Recruiting, LLC and Prehired, LLC appear to have both been recently formed as Delaware limited liability companies for the purposes of creating a nexus to this state. This may have misled consumer-defendants into believing that they had transacted with a Delaware entity when they had not. Upon information and belief, Mr. Jordan resides in South Carolina and Prehired has never conducted any business operations in Delaware. According to our review of Prehired's Better Business Bureau website on March 4, 2022, ¹⁰ the company is located at 4900 Ohear Ave

⁸ This assumes that each lawsuit seeks \$25,000. 289 lawsuits x \$25,000/lawsuit = \$7,225,000.000.

⁹ It should also be noted that a dismissal for lack of personal jurisdiction, venue, or improper service is generally <u>not</u> a dismissal on the merits. Thus, the consumer-defendant could still be sued in his or her home jurisdiction, at which time he or she would be required to hire *another* attorney for representation in that case.

¹⁰ The website appears to no longer be available, but a screenshot as of March 4, 2022 is enclosed herewith.

STE 100, North Charleston, SC 29405-5081. The CPU finds Prehired's assertion that it is conducting operations out of its registered agent's office disingenuous, at best.¹¹

There is a substantial risk that consumers will confuse Prehired, LLC, a *Delaware* limited liability company that is less than three months old with Prehired, LLC, a *Florida* limited liability company that appears to be the original creditor in most, if not all, of these cases. ¹² Adding to this confusion, Mr. Jordan has alleged in the matter of *Prehired Recruiting LLC v. Mehmed Tiro*, JP13-22-000897 that "Plaintiff *as well as the original creditor* is a Delaware limited liability company..." (emphasis added). ¹³ This does not appear to be true since the Delaware Prehired, LLC entity was not formed until three months *after* Mr. Tiro allegedly executed his contract. ¹⁴

Third, as noted above, Prehired Recruiting LLC's cases seek aggregate damages in excess of \$7,000,000.00. Rule 57 was designed to provide cost-effective court access to plaintiffs but was not created so that this Honorable Court could serve as a national collection agency for out-of-state creditors holding claims against out-of-state defendants.

In sum, the CPU is gravely concerned about the imminent harm these lawsuits may cause consumers and is diligently working to determine whether Prehired has violated any consumer protection laws in the course of its dealings with students. I am available at the convenience of the Court in-person or via telephone or video conference and would be happy to provide to the Court whatever assistance or information would further the pursuit of justice in these matters.

Very truly yours,

/s/ Katherine M. Devanney
Katherine M. Devanney (#6356)
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302-683-8812
katherine.devanney@delaware.gov

Encl.

CC: Joshua Jordan
Prehired Recruiting, LLC

¹¹ See, e.g., Complaint, *Prehired, LLC v. Provins* (Case No. 2:22-cv-00384-MCE-AC, E.D. Cal. March 1, 2022) (Paragraph 1 alleges "Prehired, LLC is a Delaware Limited Liability Company whose principal place of business [is] located at 8 The Green, Suite 10588, Dover, DE 19901."). 8 The Green is the address of Prehired's registered agent, Northwest Registered Agent Service, Inc.

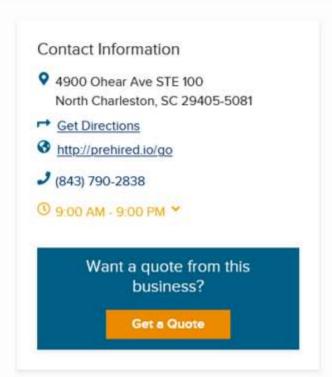
¹² Prehired was originally formed as preHired, LLC a South Carolina limited liability company, on May 14, 2017. On March 1, 2021, preHired LLC merged into Prehired LLC, a Florida limited liability company.

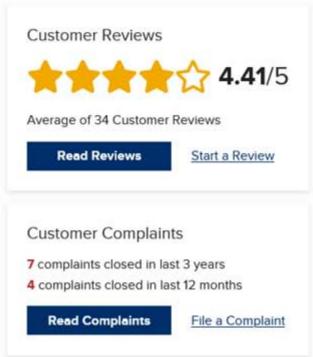
¹³ Response to Motion to Dismiss, *Prehired Recruiting, LLC v. Mehmed Tiro*, JP13-22-000897 (filed Jan. 26, 2022).

¹⁴ See Complaint, Prehired Recruiting, LLC v. Mehmed Tiro, JP13-22-000897 (filed January 27, 2022) (alleging that contract was signed on September 22, 2021).



Business Profile







Products & Services

Membership to the Science-Based Sales® Association. Membership privileges include: online program, personal mentors, online community, live events, and job references for the purpose of thriving in a software sales career.

Business Details

Location of This Business

4900 Ohear Ave STE 100, North Charleston, SC 29405-5081

9/5/2018 BBB File Opened:

Years in Business: 4

Business Started: 5/14/2017

Business Incorporated: 5/14/2017 in SC, USA

Accredited Since: 8/12/2019

Type of Entity: Limited Liability Company (LLC)

Customer Complaints

7 Customer Complaints

Need to file a complaint? BBB is here to help. We'll guide you through the process. How BBB Processes Complaints and Reviews

File a Complaint

Most Recent Customer Complaint

Complaint Type: Problems with Product/Service

Status: Answered @





PreHIRED is a lie. They hype you up by telling you that you can make 75k a year. The courses they teach you are outdated. For example. When they tried to teach me about hubspot. Also understand this is all online. So it's a video that plays and it...

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Desired Outcome

Billing adjustment; Correction to a credit report; Not applicable